

Washington State Liquor Control Board

Today's Speakeasy

June 2004

State stores will accept licensee debit, credit cards in October

By Tricia Currier

Public Information Officer

Washington State Liquor Stores will accept debit and credit card payments from spirits, beer and wine licensees beginning in October, when a new point-of-sale (POS) system for state stores is fully implemented. The POS system, which features new cash registers, card readers and other hardware, will permit the use of debit as well as credit cards.

The 2004 Washington State Legislature approved legislation allowing spirits, beer and wine liquor licensees to purchase product at state stores using debit and credit cards. Previously, licensees had to pay either in cash or by check.

The Washington State Restaurant Association (WSRA) supported the legislation as a top priority in the 2004 session to ensure convenience and safety for its members. Michael Transue, WSRA's director of government affairs said, "It's safer for licensees to pay with debit or credit cards because they are not carrying around large amounts of cash or business checks."

Chris Liu, director of retail services for the WSLCB concurred with Transue. "We know it's a great convenience to our licensees and we're excited to be able to offer this option this coming October." Liu said the new system is being tested in five stores and will be rolled out in all stores beginning next month.

"We learned some lessons as we began the on-site testing of the new system earlier in June," Liu said. Encryption of the pin pads needed to activate the debit card readers had to be synchronized with the WSLCB's main computing system, which is being used to run the store network. These problems have been resolved.

As the WSLCB enters the second phase of its POS upgrade in January 2005, additional software will be added to operate the system more efficiently. Eventually, all state liquor stores will be connected to a Wide Area Network, which will significantly speed processing time for credit and debit cards.



Store clerk Pam Hays, assists a customer at the Puyallup liquor store.

IN THIS ISSUE

Private compliance checks help licensees evaluate training **Page 2**

Is the I.D. real? Find out on-line **Page 2**

Mexican Rompope eggnog illegal to sell in grocery stores **Page 3**

Shelf management proves profitable **Page 3**

Compliance check rates **Page 4**

Private compliance checks help licensees evaluate training

By Tricia Currier

Public Information Officer

The Washington State Liquor Control Board (WSLCB) encourages licensees to conduct private compliance checks to determine how effective their employee training programs are in reducing the sale of alcohol to minors. But before you start the process, make sure you follow these rules.

You Must

Prepare a written plan and submit it to your WSLCB Regional Manager.

- Provide the names and addresses of the location(s) at which you would like to conduct controlled purchase programs.
- Provide the name and contact phone of the person who will be on the premises supervising. This person must be 21 years of age.
- Provide written procedures for the program. This involves specifying who does what.
- Receive written approval from your WSLCB Regional Manager to conduct a controlled purchase program.
- Adhere to all laws and rules related to compliance checks.

To learn more about the rules related to “in-house controlled purchase programs,” go to the WSLCB Website at www.liq.wa.gov. Go to “Laws & Regulations>Current Laws & Regulations.” The rules are in Chapter 314-21 WAC.

You May

- Use your own personnel or third-party personnel to conduct the checks. Those conducting checks must have valid ID showing them to be 18, 19 or 20 years old. They must not be deceptively mature in appearance.

You May Not

- Terminate an employee solely for a first-time failure to comply with your policies regarding the sale of alcohol.
- Fail to meet *any* of these requirements or your approval to conduct such a program will be revoked.

Remember

Conducting checks without written permission places your minor and the supervising adult in violation of state law.

Is the I.D. real? Find out on-line

By Tricia Currier

Public Information Officer

The Washington State Department of Licensing (DOL) is making it quicker and easier to determine the validity of a person's drivers license. DOL has added an application to its web page that will allow the status of a drivers license to be checked online.

A wide variety of businesses require employees to drive as a part of their employment. For insurance and other reasons, these companies need to know whether these workers hold valid drivers licenses. This online service can let them check the license status of an applicant or employee in seconds.

The new application ensures security and privacy as well. The only information returned is a YES or NO response as to whether a license, endorsement, instruction permit, or identification card is currently valid.

A NO response could indicate that a license is expired, the person has never been issued that type of document, or that the privilege has been suspended, revoked, cancelled or denied. Save Time - DO it Online at www.dol.wa.gov.

How to Check Driver's Licenses Online

- Go to DO It Online at www.dol.wa.gov
- Key in the Driver's License Number
- A Yes or No will appear. Yes means the license is valid; no means it is not.

You may get a message: “(U0004) –The PIC entered does not match the format required Please try again.” If you receive this message do the following.

- Check the numbers/letters you keyed in. If correct and you get the U0004 message, then the license number you have entered has no valid license/permit issued to it.
- Do not sell liquor or tobacco products to someone when you receive the U0004 message (after checking to make sure the numbers/letters are correct). It may indicate a fraudulent ID.

Mexican Rompope eggnog illegal to sell in grocery stores

by Tricia Currier

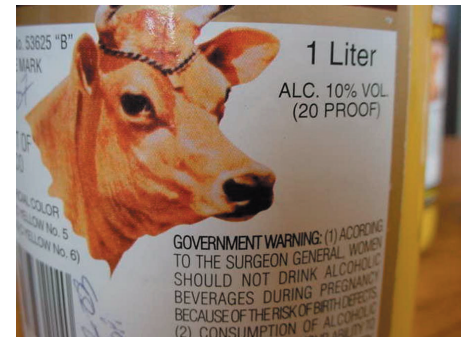
Public Information Officer

Rompope, the Mexican version of eggnog, is traditionally made with Rum. The drink started at the Convent of Santa Clara in Puebla, Mexico back in the colonial period.

Today Rompope is produced commercially and widely available in Mexico and the U.S. However, in Washington people are attempting to sell a version of Rompope with an alcohol content of 10% by volume - 20 proof. Rompope with greater than 1% alcohol can be sold only through state liquor stores.

Bottles of this product are turning up on grocery store shelves. Anyone other than a state liquor store, state contract liquor store, or a properly licensed spirits beer and wine licensee caught selling this product can be issued a violation for illegal transportation, possession, and sale of spirituous liquor.

For more information or to report persons selling this product, contact your nearest liquor enforcement office.



Shelf management proves profitable

by Bob Burdick

Communications Director

New shelf management practices tested in a pilot study of state liquor stores appear to be producing solid sales increases, and the agency is preparing to re-set all of its stores beginning in July, says Gary Thompson, director of purchasing at the WSLCB.

Last fall the WSLCB reset the shelves of three state liquor stores to conform to best practices in the retail industry. The new shelf set strategy was developed with the help of the Distillery Representatives Association of Washington (D.R.A.W.), which created and applied a software program to guide the process. D.R.A.W. representatives also helped agency staff physically move product to new shelf locations in the pilot stores.

Three different types of liquor stores were selected for the pilot project: urban, suburban and rural. Sales in these stores were monitored from September through November 2003. Initial results were mixed, with some stores doing significantly more business and other stores not meeting state sales averages.

In a report to the Board in December, Gary Thompson, Director of Purchasing, along with Steve Burnell, Shelf Management Project Manager, suggested a more accurate picture of the effect of the new shelf sets might be developed if stores were added in each category and the results measured over a longer time period. In January 2004, seven new stores – three in the rural category (or 'cluster') and two each in the suburban and urban clusters – were added to the mix and sales for all the stores were tracked for the first four months of the year.

In May, Thompson reported:

- sales averages for 9 of the 10 tested stores had substantially exceeded sales averages for the 12-month period prior to the test;
- five of the stores had exceeded the statewide YTD sales increase average of 9.75 percent;
- three of the remaining five stores had achieved average sales increases of 7 to 8 percent;
- and sales gains posted in February, March and April were particularly impressive in three of the stores, reaching an average of nearly 15 percent.

(Continued page 4)

(Continued from page 3)

The new shelf sets promote greater brand identity, a common retail sales strategy that takes into account consumer brand preferences. For example, all Bacardi rums now are displayed together in the newly reset stores. The old strategy was to organize the shelf displays by product, with all the dark rums together, all the light rums together and all the flavored rums together regardless of brand.

The new shelf sets still feature the highest-priced products on the top shelves, the strongest-selling products at eye level and the less-expensive products on the bottom shelves, maintaining ease of access and high visibility for consumers.

Shelf resets for all stores will begin the second week of July. Nearly all state stores will be reset by early August. A few stores with unusual floor plans will require additional work. Teams of eight WSLCB store employees are being recruited to participate in the resets, which take about four hours to complete on average. The Shelf Management Team is preparing a short list of best practices to help the reset teams prepare for their assignments.

When fully completed, the shelf reset will make it easier for store employees to restock shelves and easier for customers to find the brands they prefer, Thompson said.

Compliance rates

LIQUOR:

There were 427 locations visited during liquor compliance checks in April 2004.

A total of 72 liquor licensed businesses sold alcohol to underage operatives.

The percent of liquor compliance for April is 83.2%.

The yearly average of liquor compliance is 81%.

TOBACCO:

There were 305 locations visited during tobacco compliance checks in April 2004.

A total of 36 tobacco licensed businesses sold tobacco to underage operatives.

The percent of tobacco compliance for April 2004 is 88.2%.

The yearly average of tobacco compliance is 85.2%.